

## REMARKS/ARGUMENTS

Claims 1-4, 8, 10-21, 23, 26, 30-35, 39, 41-43, 46, 49, 50 and 51 are pending in the application. Claims 1, 11-20, 30-35, 42, 43, 50 and 51 stand rejected as anticipated under 35 U.S.C. § 102(e); and claims 2-4, 8, 10, 21, 23, 26, 39, 41, 46 and 49 stand rejected as obvious under 35 U.S.C. § 103(a). The rejection is respectfully traversed and reconsideration is requested. The references asserted do not teach or suggest the claimed invention.

### *Claim Amendments*

Amended independent claims 1 and 35 propose, respectively, a method and system for reconciliation of fund manager and custodian account records in which account records are received electronically by a database from the fund manager and the custodian and compared by a computer application according to predefined matching rules, which the fund manager and the custodian are allowed to independently predefine for the respective account records independently of one another, for one or more account data items selected from a group consisting of account number, security identification, units, unit cost, total cost, unit price, and total market value to identify matched and unmatched account records. If unmatched account records are identified, the computer application generates a report of the comparison identifying the unmatched account records accessible for display by the fund manager and the custodian, allows a manual match of the unmatched account records on the database by either the fund manager or the custodian, and stores an historical record of the manual match accessible by either one. See, e.g., Spec., p. 4, lines 2-7.

Claim 16 is canceled, and claim 17 is amended to address editorial issues resulting from the amendment of claims 1 and 35.

Support for the foregoing amendment is found throughout the specification and in the claims as detailed above. Accordingly, no new matter has been added.

***Claim Rejections - 35 U.S.C. § 102***

Claims 1, 11-20, 30-35, 42, 43, 50 and 51 stand rejected as anticipated by Hawkins (U.S. Patent No. 6,247,000). The cancellation of claim 16 renders its rejection moot, and the rejection of claims 1, 11-20, 30-35, 42, 43, 50 and 51 is respectfully traversed and reconsideration is requested

The Examiner considers that Hawkins teaches each and every element of independent claims 1 and 35. On the contrary, while independent claims 1 and 35 propose a method and system, respectively, for reconciliation of fund manager and custodian account records, Hawkins discloses a method and system for matching brokers orders and confirmations. See, e.g., Hawkins, Col. 7, lines 18-30. Instead of receiving a fund manager's account record from a fund manager and a custodian's account record from the custodian, as recited in claims 1 and 35, according to Hawkins, an originating broker's order is received and associated with the broker's delivery instructions and both are sent to an executing broker, who fills the order and sends a confirmation message back to the server. See, e.g., Hawkins, Col. 9, lines 15-49.

Moreover, there is no hint of teaching or suggestion in Hawkins of automatically comparing the account records by a computer application according to predefined matching rules, which the fund manager and the custodian are allowed to predefine independently of one another, for at least one item of account data consisting of one or more of account number, security identification, units, unit cost, total cost, unit price, and total market value to identify one of matched and unmatched first and second account records, as recited in amended claims 1 and 35.

On the contrary, according to Hawkins, "the server 114 takes the executing broker's confirmation 124 and matches it against the originating broker's order 112. This process is conducted in the background without user intervention" (See, Hawkins, Col. 15, lines 29-33) (emphasis added) and according to matching rules dictated by the system, namely "MT52x (SWIFT message) settlements are matched with MT518 (SWIFT message) confirms and MT592 (SWIFT message) cancel settlements are only matched with previously matched MT518 confirms." See, e.g., Hawkins, Col. 23, lines

4-15. Thus, it is self-apparent that Hawkins teaches away from Applicants' claimed invention, in which the fund manager and the custodian are allowed to predefine the matching rules, as recited in amended claims 1 and 35.

Consequently, Hawkins does not disclose, nor even suggest, the required combination of limitations of amended independent claims 1 and 35 of Applicants' claimed method and system for reconciliation of fund manager and custodian account records. Because each and every element as set forth in amended independent claims 1 and 35 is not found, either expressly or inherently in Hawkins, the Examiner has failed to establish the required *prima facie* case of unpatentability. See Verdegaal Bros. v. Union Oil Co. of California, 814 F.2d 628 (Fed. Cir. 1987); See also MPEP §2131.

The Examiner has failed to establish the required *prima facie* case of unpatentability for amended independent claims 1 and 35 and similarly has failed to establish a *prima facie* case of unpatentability for claims 11-15, 17-20, and 30-34 (claim 16 having been canceled) that depend on amended claim 1 and claims 42, 43, 50 and 51 that depend on amended claim 35, and which recite further specific elements that have no reasonable correspondence with the references.

#### ***Claim Rejections - 35 U.S.C. § 103***

Claims 2-4, 8, 10, 26, 39, 41, 46 and 49 stand rejected as unpatentable over Hawkins (U.S. Patent No. 6,247,000) in view of Harris (U.S. Patent No. 5,517,406); and claims 21 and 23 stand rejected as unpatentable over Hawkins in view of Josephson (U.S. Patent No. 5,689,579). The rejection is respectfully traversed and reconsideration is requested.

As previously noted, the Examiner has failed to establish the required *prima facie* case of unpatentability for amended independent claims 1 and 35. Similarly, the Examiner has failed to establish a *prima facie* case of unpatentability for claims 2-4, 8, 10, 21, 23, and 26 that depend on claim 1 and claims 39, 41, 46 and 49 that depend

on claim 35, and which recite further specific elements that have no reasonable correspondence with the references.

Harris et al. do not cure the deficiencies of Hawkins et al. On the contrary, while independent claims 1 and 35 propose a method and system, respectively, for reconciliation of fund manager and custodian account records, Harris discloses an automated 401k trade processing system that interfaces omnibus customer trade transactions from a record keeping system to a transfer agent which executes the customer trade transactions and sends a trade-execution confirmation file to a host processor. See, e.g., Harris, Col. 1, lines 26-33 and Col. 16, Col. 16, lines 33-37.

Moreover, there is no teaching or suggestion in Harris of automatically comparing the account records by a computer application according to predefined matching rules, which the fund manager and the custodian are allowed to predefine independently of one another, for at least one item of account data consisting of one or more of account number, security identification, units, unit cost, total cost, unit price, and total market value to identify one of matched and unmatched first and second account records, as recited in amended claims 1 and 35.

On the contrary, according to Harris, the host processor uses the trade-execution confirmation file in processing a mismatch report, i.e., if the transfer agent calculated a more favorable discount level that changed the price of the trade, or a higher commission than anticipated, or if there is a difference in the transfer agent's Letter of Intent amount, the host system generates a "mismatch" file. See, e.g., Harris, Col. 9, lines 11-38. There is no teaching or suggestion whatsoever in Harris of matching rules, much less of allowing a fund manager and a custodian to predefine matching rules, as recited in amended claims 1 and 35.

Nor does Josephson cure the deficiencies of Hawkins and/or Harris. On the contrary, instead of a system and method for reconciling fund manager and custodian accounts, as recited in amended claims 1 and 35, Josephson discloses a check processing system that reads magnetic ink characters, such as account number, ABA

routing number, process control or serial number, auxiliary on-us or serial number, and external process code, printed on paper checks and bank deposit slips. See, e.g., Col. 4, lines 9-50.

Moreover, there is no teaching or suggestion in Josephson of automatically comparing the account records by a computer application according to predefined matching rules, which the fund manager and the custodian are allowed to predefine independently of one another, for at least one item of account data consisting of one or more of account number, security identification, units, unit cost, total cost, unit price, and total market value to identify one of matched and unmatched first and second account records, as recited in amended claims 1 and 35.

On the contrary, according to Josephson, system code directs the processing system to match the magnetic ink characters printed on checks to an electronic record according to system dictated matching rules, including an allowed number of character deviations in the fields, an allowed substitution of characters in the fields, or a pattern or sequence of adjoining records. See, e.g., Josephson, Col. 4, lines 9-50; Col 8, line 61-Col. 9, line 8; and Col. 11, line 59-Col. 12, line 1-59. There is likewise no teaching or suggestion whatsoever in Harris of allowing a fund manager and a custodian to predefine matching rules independently of one another, as recited in amended claims 1 and 35.

Consequently, Hawkins, Harris, and/or Josephson do not disclose or suggest the required combination of limitations of amended independent claims 1 and 35 of Applicants' claimed method and system for reconciliation of fund manager and custodian account records. Because the cited references, either alone or in combination, do not teach the limitations of amended independent claims 1 and 35, the Examiner has failed to establish the required *prima facie* case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie* case of obviousness requires the references to teach all of the limitations of the rejected claim); See also MPEP §2143.03.

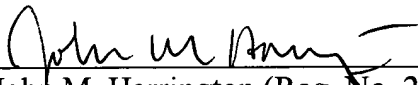
The Examiner has failed to establish the required *prima facie* case of unpatentability for amended independent claims 1 and 35 and similarly has failed to establish a *prima facie* case of unpatentability for claims 2-4, 8, 10, 21, 23, and 26 that depend on amended claim 1 and claims 39, 41, 46 and 49 that depend on amended claim 35 and which recite further specific elements that have no reasonable correspondence with the references.

### Conclusion

In view of the foregoing amendment and these remarks, each of the claims remaining in the application is in condition for immediate allowance. Accordingly, the examiner is requested to reconsider and withdraw the rejection and to pass the application to issue. The examiner is respectfully invited to telephone the undersigned at (336) 607-7318 to discuss any questions relating to the application.

Respectfully submitted,

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